"But we have another cash drawer in the Treasury, in addition to the drawer which carries our working balance. This second drawer I will call the 'gold' drawer. In it is the very large sum of $2,800,000,000 representing 'profits' resulting from the change in the gold content of the dollar. Practically all of this 'profit' the Treasury holds in the form of gold and silver. The rest is in other assets."

"I do not propose here to subtract this $2,800,000,000 from the net increase of $4,400,000,000 in the national debt—thereby reducing the figure to $1,600,000,000. And the reason why I do not subtract it is this: for the present this $2,800,000,000 is under lock and key. Most of it by authority of Congress is segregaated in the so-called stabilization fund, and for the present we propose to keep it there. But I call your attention to the fact that ultimately we expect this 'profit' to flow back into the stream of our other revenues and thereby reduce the national debt."

"Two cash drawers in Use

"We have then, in effect, two cash drawers in the treasury—one containing our working balance, which is $1,600,000,000 larger than on March 4 of last year, and the other containing $2,800,000,000, *representing the 'profit' on devaluation."* (Times, Aug. 29, page 29, column 3.)

73rd Congress Session II Statutes p. 1115
June 19, 1934, Public No. 419 (S 3530) Chapter 655

An Act Relating to Philippine Currency reserves on deposit in the United States.

Be it Enacted etc. "That the Secretary of the Treasury is authorized and directed when the funds therefor are made available to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for $23,862,750.78 being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at

that time in banks in the Continental United States by the Government of the Philippine Islands for its gold standard fund, and its Treasury Certificate fund less the interest received by it on such balances.

Section 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under Section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the Proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for in Section 1 of this Act.

Approved June 19, 1934.

JOHN M. PERRY,
Claimant.

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